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VIA: E-MAIL AND AIRBORNE EXPRESS

June 13, 2002

Harvey Packard, PE
Senior Engineer
California Regional Water Quality Control Board
Central Coast Region
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401

Re: 425 Tennant Avenue, Morgan Hill/Alternative Water

Dear Harvey:

As we discussed in our recent meeting, this will confirm Olin Corporation's commitment to provide alternative water supply to certain well owners in the Morgan Hill/San Martin area consistent with the following criteria. During this investigative stage of the matter, alternative water will be provided either through bottled water service or by well head treatment to remove or treat perchlorate to levels below the California Department of Health Services Action Level of 4 ppb for perchlorate for each well that is south of the former Olin/Standard Fusee site if that well has current verified test results that show a perchlorate concentration that exceeds 4 parts per billion ("ppb"). Olin will also provide bottled water to drinking water wells where, current verified test results that show a perchlorate concentration between 2 and 4 ppb, unless and until there are four consecutive quarters of sampling and analysis that show results of less than 4 ppb of perchlorate, in which case alternative water would no longer be provided to that well owner. In addition, Olin agrees to discuss with Regional Board staff on a case-by-case basis the provision of alternative water to the owners of a limited number of other wells that do not fit the above criteria.

Please do not hesitate to call if you have any questions.

Sincerely,
OLIN CORPORATION

A handwritten signature in black ink, appearing to read "Richard W. McClure".

Richard W. McClure, REM
Environmental Remediation Group